UNITED STATES PATENT AND TRADEMARK OFFICE

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/713,126	11/14/2003	James Farrell	4672/310	9585

49664   7590   06/12/2008
BRINKS HOFER GILSON & LIONE / CME
P.O. BOX 10395
CHICAGO, IL 60610

EXAMINER
WEIS, SAMUEL

ART UNIT	PAPER NUMBER
3693	

MAIL DATE	DELIVERY MODE
06/12/2008	PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE <u>3</u> MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.
- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on <u>26 February 2008</u>.

2a)☐ This action is **FINAL**.   2b)☒ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) <u>1-28</u> is/are pending in the application.

     4a) Of the above claim(s) <u>1-17</u> is/are withdrawn from consideration.

5)☐ Claim(s) _____ is/are allowed.

6)☒ Claim(s) <u>18-28</u> is/are rejected.

7)☐ Claim(s) _____ is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.

10)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.

     Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

     Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11)☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

     a)☐ All   b)☐ Some *   c)☐ None of:

         1.☐ Certified copies of the priority documents have been received.

         2.☐ Certified copies of the priority documents have been received in Application No. _____.

         3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

     * See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) ☒ Notice of References Cited (PTO-892)

2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)

3) ☒ Information Disclosure Statement(s) (PTO/SB/08) Paper No(s)/Mail Date <u>03042004; 09192005</u>.

4) ☐ Interview Summary (PTO-413) Paper No(s)/Mail Date. _____ .

5) ☐ Notice of Informal Patent Application

6) ☐ Other: _____ .

DETAILED ACTION

1.   This is in response to the Applicants' response to the election restriction

requirement filed on February 26, 2008. The Applicants elected Group II, claims 18-28,

to be examined without traverse. Claims 1-17 have been withdrawn. Claims 18-28

have been examined.

Claim Rejections - 35 USC § 101

2.   35 U.S.C. 101 reads as follows:

> Whoever invents or discovers any new and useful process, machine, manufacture, or composition of
> matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the
> conditions and requirements of this title.

3.   Claims 25-27 are rejected under 35 U.S.C. 101 because the claimed invention is

directed to non-statutory subject matter.

Claim 25 recites in the preamble "a computer readable medium programmed to

mitigate the effect of a market spike caused by the triggering and the election of a

conditional order, comprising." The body of claim 25 recites various "code" in each

limitation. Claim 25 is considered non-statutory because the modules are considered to

be software, per se. Functional descriptive material per se is not statutory. Functional

descriptive material in combination with an appropriate computer readable medium

must be capable of producing a useful, concrete and tangible result when used in a

computer system. Since the "code" lack storage on a medium and there are no

instructions in executable form, no underlying functionality occurs and thus there is no

practical application. For these reasons, claims 25 fails to satisfy one of the statutory

categories set form in 35 U.S.C. 101 and is therefore considered to be non-statutory.

Claim 26 is dependent from claim 25 and stand rejected under the same reasoning.

Claim 27 recites in the preamble "a computer readable medium programmed to mitigate the effect of a market spike caused by the triggering and the election of a conditional order, comprising." The body of claim 27 recites various "logic" in each limitation. Claim 27 is considered non-statutory because the logics are considered to be software, per se. Functional descriptive material per se is not statutory. Functional descriptive material in combination with an appropriate computer readable medium must be capable of producing a useful, concrete and tangible result when used in a computer system. Since the "logic" lack storage on a medium and there are no instructions in executable form, no underlying functionality occurs and thus there is no practical application. For these reasons, claim 27 fails to satisfy one of the statutory categories set form in 35 U.S.C. 101 and is therefore considered to be non-statutory.

Claim Rejections - 35 USC § 102

4.   The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

> A person shall be entitled to a patent unless –
>
> (b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

5.   Claims 18-28 are rejected under 35 U.S.C. 102(b) as being anticipated by Nieboer et al., U.S. Pat. No. 6,418,419 (hereinafter, Nieboer).

As to claim 18, Nieboer discloses a system that mitigates the effects of rises or falls in market prices caused by the execution of a conditional order comprising (abstract):

an order book manager that receives orders (col. 3, lines 22-36; Figs. 7-9);

an order processor that compares an execution price of a conditional order to a

predefined price threshold (cols. 15-16);

a spike control processor that delays the matching of orders received by the order book

when an execution price of the conditional order lies outside of the predefined price

threshold, the spike control processor compares an indicative opening price to the

predetermined price threshold (cols. 15-18); and

an open market processor that opens the market when the indicative opening price lies

outside of the predetermined price threshold (cols. 15-18).

As to claims 19-24, Nieboer discloses wherein the open market processor is

configured to open the market to trading when the indicative opening price lies outside

of the predetermined price threshold or a timed period lapses; wherein the open market

processor is configured to open the market to trading when the indicative opening price

lies outside of the predetermined price threshold or the timed period lapses or a manual

intervention occurs; wherein the open market processor is configured to open the

market to trading when the indicative opening price lies outside of the predetermined

price threshold or a manual intervention occurs; a memory configured to retain a time

parameter used to determine a maximum period of time that a matching of orders may

be reserved; a matching system coupled to the order book manager; wherein the order

processor is configured to compare an execution price of a conditional order to a

predefined price threshold in real time (cols. 15-18).

As to claims 25-26, Nieboer discloses a computer readable medium programmed

to mitigate the effect of a market spike caused by the triggering and the election of a

conditional order, comprising (abstract):

monitoring code that monitor orders submitted to a trading engine in an automated

matching system (cols. 13-14);

comparing code that compares the price of a conditional order to a predefined price

range (cols. 15-18);

delaying code that delays the matching of orders submitted to the trading engine when

an execution price of a stop order lies outside of the predefined price range(cols. 15-

18);

deriving code that derives an opening price to be used by the trading engine(cols. 15-

18); and

measuring code that delays a matching of the orders until the opening price lies within a

second predefined price range or a time period lapses(cols. 15-18);

wherein the measuring code delay the matching of orders until the opening price lies

within the second predefined price range or the time period lapses, or a manual

intervention occurs(cols. 15-18).

As to claim 27, Nieboer discloses a signal-bearing medium having software that

mitigates the effect of a market spike caused by the triggering and the election of a

conditional order, comprising (abstract):

an evaluation logic that monitors orders submitted to a trading engine in an automated
matching system, the evaluation logic being configured to compare an execution price
of a conditional order to a predefined price range (cols. 15-18);

a delay logic that delays the matching of the orders submitted to the trading engine
when the price of a transaction lies outside of the predefined price range (cols. 15-18);

a pricing logic that derives an opening price to be used by the trading engine(cols. 15-
18); and a timing logic that measures a time interval used to delay a matching of the
orders until the opening price is within a predefined price range up to a maximum delay
time set by a control center (cols. 15-18).

As to claim 28, Nieboer discloses a method of mitigating the effect of a market
spike caused by the triggering and the election of a stop order, comprising (abstract):
monitoring orders submitted to a trading engine in an automated matching system (cols.
15-18); comparing the price of a stop order to a predefined price range (cols. 15-18);
delaying the matching of orders submitted to the trading engine when an execution
price of a stop order lies outside of the predefined price range(cols. 15-18);
deriving an opening price to be used by the trading engine(cols. 15-18); and
delaying a matching of the orders until the opening price lies within a predefined price
range up to a maximum delay time set by a control center(cols. 15-18).

Conclusion

Any inquiry concerning this communication or earlier communications from the
examiner should be directed to SAMUEL S. WEIS whose telephone number is
(571)272-1882. The examiner can normally be reached on 8:30 to 5, Monday - Friday.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, James Kramer can be reached on (571) 272-6783. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see http://pair-direct.uspto.gov. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/Stefanos Karmis/
Primary Examiner, Art Unit 3693